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**United States District Court
Central District of California**

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 \$15,768,787.86 IN FUNDS,

15 Defendant.
16

Case № 2:22-CV-05862-ODW (PDx)

**ORDER GRANTING MOTION FOR
DEFAULT JUDGMENT [19]**

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18 **I. INTRODUCTION AND BACKGROUND**

19 On August 18, 2022, Plaintiff United States of America (“Government”) initiated this *in rem* forfeiture action. (See Verified Compl. (“Compl.”), ECF No. 1.)
20 Through this action, the Government seeks forfeiture of \$15,768,787.86 in funds
21 wired to a United States Treasury account on or about March 15, 2022, from Sunny
22 Bank Account, ending in the last four digits 0061 and held in the name of I-Yun Yih,
23 also known as “Nancy Yih” (“Defendant Funds”). (*Id.* ¶ 5.) The Defendant Funds
24 were transferred to the United States Treasury pursuant to a plea agreement between
25 the Government and Yih. (See *id.* ¶ 14–15.) Pursuant to that agreement, Yih pleaded
26 guilty to smuggling goods into the United States, 18 U.S.C. § 545, and money
27 laundering, 18 U.S.C. § 1956(a)(1)(A)(i), and agreed to forfeit the Defendant Funds as
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1 proceeds of said violations. (*See id.*) The Government alleges that the Defendant
 2 Funds are accordingly subject to forfeiture pursuant to 18 U.S.C. §§ 981(a)(1)(A) and
 3 (C), and 984. (*Id.* ¶¶ 1, 15.)

4 Because Yih agreed to the forfeiture of the Defendant Funds, the Government
 5 could not identify any specific persons or entities whose interests may have been
 6 adversely affected by these proceedings. (Mot. Default J. (“Mot.” or “Motion”) 4,
 7 ECF No. 19.) Thus, there are no known potential claimants to the Defendant Funds.
 8 (Decl. Tara B. Vavere ISO Mot. (“Vavere Decl.”) ¶ 5, ECF No. 19.) The Government
 9 published a Notice of Civil Forfeiture for thirty days pursuant to the Supplemental
 10 Rules for Admiralty or Maritime Claims and Assert Forfeiture Actions. (*Id.* ¶ 4.) On
 11 October 20, 2022, the Government executed process upon the Defendant Funds. (*Id.*
 12 ¶ 3; Process Receipt and Return, ECF No. 15.) The time for filing a claim or answer
 13 has expired. (Vavere Decl. ¶ 6.) There are no pending claims to the Defendant Funds
 14 or pending answers to the Complaint. (*Id.* ¶ 7.)

15 On November 17, 2022, the Clerk entered default as to the Defendant Funds
 16 and the interests of all potential claimants regarding the Defendant Funds. (Vavere
 17 Decl. ¶ 8; Default, ECF No. 17.) On November 18, 2022, the Government moved for
 18 default judgment against the interests of all potential claimants. (Mot.) Pursuant to
 19 Local Rule 7-9, any opposition to the Government’s Motion was due no later than
 20 twenty-one days before the January 9, 2023 hearing date. The Court received no
 21 opposition to the Motion.

22 Having carefully considered the papers filed in connection with the Motion, the
 23 Court deemed the matter appropriate for decision without oral argument. Fed. R. Civ.
 24 P. 78; C.D. Cal. L.R. 7-15.

25 II. LEGAL STANDARD

26 Federal Rule of Civil Procedure (“Rule”) 55(b) authorizes a district court to
 27 grant a default judgment after the Clerk enters default under Rule 55(a). Fed. R. Civ.
 28 P. 55(b). Before a court can enter a default judgment against a defendant, the plaintiff

1 must satisfy the procedural requirements set forth in Rules 54(c) and 55, as well as
 2 Local Rules 55-1 and 55-2. Fed. R. Civ. P. 54(c), 55; C.D. Cal. L.R. 55-1, 55-2.
 3 Local Rule 55-1 requires that the movant submit a declaration and include the
 4 following information: (1) when and against which party default was entered;
 5 (2) identification of the pleading to which default was entered; (3) whether the
 6 defaulting party is a minor or incompetent person; (4) the Servicemembers Civil
 7 Relief Act, 50 U.S.C. § 521, does not apply; and (5) the defaulting party was properly
 8 served with notice, if required under Rule 55(b)(2). C.D. Cal. L.R. 55-1.

9 If these procedural requirements are satisfied, a district court has discretion to
 10 enter default judgment. *Aldabe v. Aldabe*, 616 F.2d 1089, 1092 (9th Cir. 1980). “A
 11 defendant’s default does not automatically entitle the plaintiff to a court-ordered
 12 judgment.” *PepsiCo, Inc., v. Cal. Sec. Cans*, 238 F. Supp. 2d 1172, 1174 (C.D. Cal
 13 2002). In exercising discretion, a court considers several factors (“*Eitel* Factors”):

14 (1) the possibility of prejudice to the plaintiff[;] (2) the merits of
 15 plaintiff’s substantive claim[;] (3) the sufficiency of the complaint[;]
 16 (4) the sum of money at stake in the action; (5) the possibility of a
 17 dispute concerning material facts; (6) whether the default was due to
 18 excusable neglect[;] and (7) the strong policy underlying the Federal
 Rules of Civil Procedure favoring decisions on the merits.

19 *Eitel v. McCool*, 782 F.2d 1470, 1471–72 (9th Cir. 1986). The Court need not make
 20 detailed findings of fact in the event of a default judgment. *See Adriana Int’l Corp. v.*
 21 *Thoeren*, 913 F.2d 1406, 1414 (9th Cir. 1990). Generally, after the Clerk enters
 22 default, the defendant’s liability is conclusively established, and the well-pleaded
 23 factual allegations in the complaint are accepted as true, except those pertaining to
 24 damages. *TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917–18 (9th Cir. 1987)
 25 (per curiam) (quoting *Geddes v. United Fin. Grp.*, 559 F.2d 557, 560 (9th Cir. 1977)).

26 III. DISCUSSION

27 Having reviewed the filings in this action, the Court is satisfied that the
 28 Government has met all procedural requirements for obtaining a default judgment

1 against the interests of all potential claimants. Notice was adequately given and the
2 time for filing a claim or answer has expired. There are no pending claims or answers.
3 The Government has satisfied the procedural requirements of Rule 55 and Local
4 Rule 55-1: (1) on November 17, 2022, the Clerk entered default against the Defendant
5 Funds and the interests of all potential claimants; (2) no potential claimants responded
6 to the Complaint; (3) there are no known potential claimants who are minors or
7 incompetent persons; and (4) there are no known potential claimants who serve in the
8 U.S. military, so the Service Members Civil Relief Act does not apply. (*See* Default;
9 Vavere Decl. ¶¶ 7–10.)

10 Further, the Court finds that on balance the *Eitel* Factors weigh in favor of
11 granting the Government’s Motion. The allegations establish that Yih pleaded guilty
12 to smuggling goods into the United States, 18 U.S.C. § 545, and money laundering,
13 18 U.S.C. § 1956(a)(1)(A)(i), and agreed to forfeit the Defendant Funds as proceeds
14 of said violations, rendering the Defendant Funds subject to forfeiture pursuant to
15 18 U.S.C. §§ 981(a)(1)(A) and (C), and 984. In light of the well-pleaded allegations
16 in the Complaint and that no potential claimants filed a claim, the Government’s
17 interest in an efficient resolution of the case outweighs any potential claimant’s
18 interest in adjudication on the merits. *See PepsiCo*, 238 F. Supp. 2d at 1177
19 (“Defendant’s failure to answer Plaintiffs’ Complaint makes a decision on the merits
20 impractical, if not impossible.”).

21 Having determined that entry of default judgment is appropriate, the Court finds
22 that forfeiture of the Defendant Funds to the United States for disposition according to
23 law is proper because it does not “differ in kind from, or exceed in amount, what is
24 demanded in the pleadings.” Fed. R. Civ. P. 54(c).

1 **IV. CONCLUSION**

2 For the reasons discussed above, the Court **GRANTS** the Government's Motion
3 for Default Judgment. (ECF No. 19.) A separate judgment will issue.

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5 **IT IS SO ORDERED.**

6
7 January 31, 2023

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10 **OTIS D. WRIGHT, II**
11 **UNITED STATES DISTRICT JUDGE**
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